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**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE  
APPLICATION OF BLACK MOUNTAIN  
SEWER CORPORATION, AN ARIZONA  
CORPORATION, FOR A  
DETERMINATION OF THE FAIR  
VALUE OF ITS UTILITY PLANT AND  
PROPERTY AND FOR INCREASES IN  
ITS RATES AND CHARGES FOR  
UTILITY SERVICE BASED THEREON.

DOCKET NO: SW-02361A-08-0609

**BLACK MOUNTAIN SEWER CORPORATION'S  
REQUEST FOR CLARIFICATION OF  
RECOMMENDED OPINION AND ORDER**

Arizona Corporation Commission  
**DOCKETED**  
AUG 12 2010

DOCKETED BY

*JD88*

1 Applicant, Black Mountain Sewer Corporation ("BMSC"), hereby requests  
2 clarification of the Recommended Opinion and Order ("ROO") issued on August 3, 2010.

3 The ROO requires BMSC to "file a full rate application no later than 12 months  
4 after completion of the treatment plant closure project."<sup>1</sup> It is not clear, however, when  
5 the "project" will be considered "complete." As a consequence, BMSC requests that the  
6 ROO be clarified such that "completion of the treatment plant closure project" will be  
7 deemed to have occurred upon issuance of the Commission order approving Staff's  
8 recommendation for the implementation of the final surcharge.<sup>2</sup> This means that the 12  
9 month time clock will begin when the surcharge is approved.

10 This would make the ROO clearly consistent with the Wastewater Treatment Plant  
11 Closure Agreement ("Closure Agreement") entered into between BMSC and the Boulders  
12 Home Owners Association. As stated on page 42 of the ROO, under the Closure  
13 Agreement, BMSC is not obligated to close the treatment plant until, among other things,  
14 the Commission has approved a cost recovery mechanism. Thus, the final approval of the  
15 surcharge is a necessary step before the completion of the treatment closure project.  
16 Additionally, starting the 12 month period upon implementation of the surcharge will  
17 make it more likely that the Company has a full test year of operations without the retired  
18 plant. This should improve the processing of the rate case.

19 For these reasons, BMSC asks that the Commission clarify the ROO to state that  
20 the plant closure project will be complete upon final approval of the surcharge.  
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<sup>1</sup> ROO at 65, lns. 21-22; *see also* ROO at 54, section 8.g.

<sup>2</sup> ROO at 54, section 8.e.; 65, lns. 18-20.

1 RESPECTFULLY SUBMITTED this 12th day of August, 2010.

2 FENNE MORE CRAIG, P.C.

3  
4 By

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8 **ORIGINAL** and thirteen (13) copies  
of the foregoing were filed  
9 this 12th day of August, 2010, with:

10 Docket Control  
Arizona Corporation Commission  
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Phoenix, AZ 85007

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13 **Copy of the foregoing was hand delivered**  
this 12th day of August, 2010, with:

14 Chairman Kristin K. Mayes  
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17 Commissioner Gary Pierce  
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